

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7263**

**BILL NUMBER:** HB 1188

**NOTE PREPARED:** Feb 16, 2005

**BILL AMENDED:** Feb 15, 2005

**SUBJECT:** Moratorium for Boards and Commissions.

**FIRST AUTHOR:** Rep. McClain

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State

**Summary of Legislation:** (Amended) This bill reestablishes the Government Efficiency Commission (which expired January 1, 2005) until January 1, 2006, and directs the Commission to make recommendations to the Governor concerning the advisability of continuing or modifying all boards and commissions. The bill directs the Governor to review the recommendations and submit those that will improve the efficiency and operation of state government to the Legislative Council for its review.

**Effective Date:** (Amended) Upon Passage.

**Explanation of State Expenditures:** (Revised) *Summary* - Indeterminate cost savings could result from elimination or reorganization of boards and commissions, or improved efficiency or reduction of unnecessary costs associated with boards or commissions, or state-funded agencies, departments, or programs. The cost savings would depend on the actions of the Government Efficiency Commission (GEC) established by the bill, the Governor, the Legislative Council, and the General Assembly. Additionally, some costs will be incurred to reimburse the travel and other expenditures of the GEC.

Under the bill, the GEC is established, consisting of 22 members appointed by the leaders of the House of Representatives and the Senate. Members of the GEC are entitled to travel and other expense reimbursement, but not to salary per diem. The GEC is to make recommendations to the Governor to improve efficiency and reduce unnecessary costs associated with any board or commission, or state-funded agency, department, or program. Recommendations concerning whether a board or commission should be continued, combined with another entity, or terminated would be included in a report to the Governor due October 1, 2005. The Governor is to submit a report recommending legislation necessary to carry out the recommendations of the GEC to the

Legislative Council before November 1, 2005. The Legislative Council is to determine what legislation should be prepared for introduction during the 2006 regular session of the General Assembly.

*Background:* The Government Efficiency Study Commission (Commission) was created by P.L. 224-2003 to review all state-funded agencies, departments, and programs and to make recommendations to improve efficiency and reduce waste or other unnecessary costs. The Commission consisted of 22 members appointed by the Speaker of the House of Representatives and the Senate President Pro Tempore. There were four subcommittees established in law. The staff advisors to the Commission were the State Budget Director, the Commissioner of the Commission for Higher Education, the Indiana State Board of Education Administrator, and the Executive Director of the Legislative Services Agency. Administrative support was incorporated in the workload of the staff of the Legislative Services Agency and other state agencies. The Commission was required to and has submitted its report before December 31, 2004.

The Commission members were not entitled to salary per diem, but did receive travel reimbursement. Between October 2003 and July 2004, the Commission travel reimbursement totaled \$3,837. Legislative Council contingency funds paid \$3,400 for a contract to complete the report of the Medicaid and Human Services Subcommittee. Private donations to the Commission included reports surveying the state Medicaid Program, the Department of Education, and Higher Education.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Various boards, commissions, committees, and entities.

**Local Agencies Affected:**

**Information Sources:**

**Fiscal Analyst:** Karen Firestone, 317-234-2106.